

TRADEWINDS

California Department of Food and Agriculture
Agricultural Export Program

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\$84 MILLION AVAILABLE FROM USDA TO PROTECT FARM AND RANCH LAND

U.S. Secretary of Agriculture Ann M. Veneman announced on March 16, 2004, that \$84 million will be available to qualified applicants through USDA's Farm and Ranch Lands Protection Program (FRPP).

Through USDA's Natural Resources Conservation Service (NRCS), FRPP protects productive agricultural land by purchasing conservation easements. Proposals will be accepted until the end of April 2004.

USDA enters into agreements with selected entities to support their efforts to protect soils and historical archaeological sites. USDA provides up to half of the appraised fair market value of the conservation easement.

To participate in FRPP, landowners agree to limit the use of their land for nonagricultural purposes and develop and implement a conservation plan. To qualify, the farm or ranch land must contain productive soils or historic or archaeological sites and be:

- part of a pending offer from a nongovernmental organization, state, tribe or local farmland protection program;
- privately owned;
- covered by a conservation plan;
- large enough to sustain agricultural production;
- accessible to markets for what the land produces; and
- surrounded by parcels of land that can support long-term agricultural production.

Preliminary Census of Agriculture results indicate that land in California farms in 2002 totaled 27.6 million acres, compared to 28.8 million in 1997.

For more information, please visit www.nrcs.usda.gov/programs/frpp.

NEWS

SUDDEN OAK DISEASE: CALIFORNIA NURSERIES AFFECTED BY DOMESTIC QUARANTINES AND USDA DETECTION REGULATIONS

The USDA's Animal and Plant Health Inspection Service (APHIS) announced March 26, 2004 that it is regulating the interstate movement of *Phytophthora ramorum* host and associated host plants from all California nurseries.

Beginning March 29, California nursery owners who want to ship listed plants must undergo a nursery stock inspection before those plants can be transported across state lines.

An estimated 1,500 California nurseries are now prohibited from shipping plants susceptible to *P. ramorum* until those nurseries can be inspected and found free of the pathogen. USDA will also launch a national survey to determine if *P. ramorum* is affecting other parts of the country.

States receiving nursery stock from California plan to increase inspection activities as an added safeguarding measure. The states of Florida, Georgia, and Alabama have imposed quarantines with varying restrictions on California nursery stock.

According to Bob Falconer, executive vice president of the California Association of Nurseries and Garden Centers, about 20 percent of California's nursery plants are shipped out of state. Nursery products are valued at over \$3 billion, and rank as California's third most valuable commodity.

Earlier this month, during a California Department of Food and Agriculture Cooperative Agricultural Pest Survey, state plant health and pest prevention officials confirmed the presence of *P. ramorum* on several varieties of camellia plants at a wholesale horticultural nursery in Los Angeles County and at a nursery in San Diego County.

For more information, visit the APHIS website at www.aphis.usda.gov/lpa/issues/sod/sod.html.

Source: USDA Press Release; California Farm Bureau Federation

COURT RULING ON SPANISH CLEMENTINES

On March 8, 2004, the U.S. District Court of the Eastern District of California upheld the USDA's final rule issued on October 15, 2002, which allowed the importation of clementines from Spain.

The court ruled that the USDA is supported by the administrative record, justified through the agency's application of sound science, within the scope of the agency's authority under the Plant Protection Act (PPA), and in full compliance with existing law.

After the USDA's final rule was issued, opposing groups filed a lawsuit, asserting that the USDA decision was based on flawed science and that domestic producers of medfly-host commodities would not be protected from a devastating medfly infestation.

Source: News Update, USDA/FAS Horticultural & Tropical Products Division

EXPORT OPPORTUNITIES

- Korean importers are seeking suppliers of organic soy and rice protein powders, frozen organic strawberries, and aloe vera powder.
- Taiwanese importers seek suppliers of canned corn; nori fruit powder; soybeans; various types of sowing seeds, including sesbania, rape, brassica napus, allium, and sunhemp; frozen chicken parts; canned berries and cherries; pectin; orange and pineapple juices; boneless, frozen pork shoulders; and swine offal.
- A New Zealand company seeks suppliers of fresh citrus, apples, grapes, watermelons, table potatoes, carrots, lettuce, tomatoes, asparagus, cauliflower, onions and shallots, broccoli, celery, and miscellaneous fresh vegetables.
- A Tunisian importer is interested in locating suppliers of pregnant purebred heifers.
- A company in the United Arab Emirates seeks suppliers of soybeans and yellow corn.
- Russian importers are looking for suppliers of prunes; raw and roasted almonds and miscellaneous raw nuts; milk powder; chicken parts and whole birds; corn starch; yellow feed corn; vegetarian pet food; raisins; dried fruit; wheat; and frozen beef and pork.
- Companies in Hong Kong want to find suppliers of frozen pork; salted or dried ham; chilled fish, fresh snow crabs and lobster for sushi; and orange oil.

If you are interested in one or more of these export opportunities, please e-mail the Agricultural Export Program: aepinfo@cdfa.ca.gov



California Department of Food and Agriculture

Secretary, A. G. Kawamura
Undersecretary, Chuck Ahlem

Agricultural Export Program

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RECENT FAS/USDA REPORTS

The following reports of interest were released during the month of March. Reports are available online at www.fas.usda.gov

Austria: What's New in Central Europe

Japan: Organic Export Procedures

South Africa: HRI Sector Report

AMERICAN PAVILION AT INGREDIENTS RUSSIA

The Ingredients Russia trade show from November 23-26, 2004, offers an excellent opportunity for California food ingredient exporters to present their products to key importers, distributors, and food and beverage processors in one of the fastest growing markets in the world. Although relatively new, the show is growing in popularity with exhibitors and food ingredient buyers alike.

The Russian market has experienced five consecutive years of strong economic growth, with the GDP up 7.3 percent in 2003. The 114 million Russians live largely in urban centers; there are twelve cities boasting over one million residents.

The increasing consumer demand for semi-prepared and convenience foods is reflected in the rapid expansion of the \$26 billion Russian food processing sector.

The import market for intermediate food products is valued at \$1.5 billion, with a 30 percent growth in 2002. Products with the most potential include dried, frozen, and processed fruits, nuts, soy protein/ isolates/flour, lactose, whey powder, textured vegetable protein, food colors, seasonings, spices, flavorings, beverage bases, emulsifiers, preservatives, and certified organic/natural ingredients.

The application deadline for this show, which will be held at the Olympisky Sports Complex in Moscow, is May 30, 2004.

For further details about the American Pavilion at Ingredients Russia, please contact Tobitha Jones at Tobitha.Jones@usda.gov or (202) 690-1182.

TRADE ADJUSTMENT ASSISTANCE AVAILABLE FOR FARMERS

Producers of commodities which have recently suffered from low prices due to increasing imports may be eligible for technical assistance and a financial payment under the USDA/Foreign Agricultural Service's Trade Adjustment Assistance (TAA) program.

Producers should first check the petition registry at www.fas.usda.gov/itp/taa/registry.htm, as eligibility for benefits may already have been established. If eligibility has not yet been conferred, interested producers must form a group (a minimum of three is required) to file a petition requesting eligibility. This eligibility would be requested by the petitioners for themselves and on behalf of those who produce the same commodity in their state or region.

If a petition is certified, applicants may apply immediately to the Farm Service Agency for trade adjustment assistance benefits. Producers whose eligibility has already been granted should also contact the Farm Service Agency Administrative County Office. An online local office locator can be accessed at www.fsa.usda.gov/pas/default.asp.

Information regarding eligibility, filing petitions, applying for benefits, FAQs, and a TAA fact sheet is available at www.fas.usda.gov/itp/taa/taaindex.htm. Links to an online resources library containing forms and TAA rules, contact information, and hours of operation are also available at that site.

For further information, contact the Trade Adjustment Assistance Office at (202) 720-2916 or trade.adjustment@fas.usda.gov.

Source: FAS/TAA website

AUSTRALIAN MARKET POTENTIAL HIGHLIGHTED

Australia is a prosperous, urbanized, politically and economically stable, industrialized nation that is enjoying a period of solid growth with low inflation.

Recent developments have made Australia an even more attractive market for U.S. exporters. The Australian dollar has appreciated against the U.S. dollar by about 30 percent over the past year, causing American imports to be more affordable. Also, U.S. exporters now have improved access due to a recently concluded Free Trade Agreement.

To view the full report, including best prospects for U.S. exports, visit

www.fas.usda.gov/gainfiles/200403/146105825.pdf

IMPORT REQUIREMENTS REVISED FOR ALMONDS TO INDIA

On March 23, 2004, India issued a letter that brings short-term relief to exporters of U.S. almonds to India, which have been severely impacted by new import regulations implemented on January 1, 2004. These regulations established new import procedures and plant protection quarantine requirements, which severely disrupted American almond exports to India.

The letter states that almonds that are shipped from the U.S. no later than May 4, 2004, may be fumigated with Phospine before departure and are subject to inspection and fumigation by methyl bromide upon arrival in India, as under the old regulation.

The U.S. Embassy in New Delhi continues to work closely with the Indian Government and Washington agencies to arrive at long-term resolutions to this and other issues related to India's new regulation.

India is the third most valuable export market for California almonds, after the European Union and Japan, totaling \$61 million in 2002.

Source: USDA/FAS Gain Report IN4028; California Agricultural Resource Directory 2002

UPCOMING TRADE EVENTS

Supported by the California Department of Food and Agriculture

BOA MESA SHOW 2004

September 28-October 2, 2004, Sao Paulo, Brazil

This is an annual show for high-end food and beverages, equipment and services for the HRI sector. Although it is a small show, with approximately 160 exhibitors and 45,000 visitors, it has significance as a trendsetter. It attracts food retailers, top chefs and restaurateurs, and press.

GREAT AMERICAN FOOD FESTIVAL

September 22-28, 2004, Cairo, Egypt

The objective of this show is to promote American cuisine, increase demand for American products at five-star hotels and restaurants, and acquaint Egyptian consumers with the high quality and diversity of U.S. food products. As part of the festival, the U.S. Food Export Showcase will feature U.S. companies with interest and potential for penetrating or expanding their presence in this market.

For information regarding any of these events, please e-mail the Agricultural Export Program:

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